

City of Santa Clara

CityPlace Santa Clara

Item 14A: Public Hearing

June 8, 2016



**City of
Santa Clara**
The Center of What's Possible

Presentation Overview

- Introduction
- Entitlements
 - General Plan Amendments
 - Master Community Plan
 - Environmental Impact Report
- Disposition and Development Agreement
- Development Agreement
- Recommendation



Materials Provided in Packet

- Draft EIR; Final EIR; Enhanced Open Space Variant (CityPlace Park); Responses to Comments
- CEQA Findings Statement of Overriding Considerations (SOC) and Mitigation Monitoring and Reporting Program (MMRP);
- General Plan Amendment #83 and General Plan Consistency Findings;
- Development Plans: Master Community Plan including Infrastructure Master Plan and MCP Supplement, Conditions of Approval

Materials Provided in Packet

- Development Agreement
- Disposition and Development Agreement
- Correspondence Received as of June 23, 2016
- June 8, 2016 Planning Commission Staff Report and Excerpt Planning Commission Meeting Minutes
- Fiscal Impact Analysis

Materials Provided in Packet

- Resolutions:
 - Certifying EIR and Adopting CEQA Findings, SOC and MMRP
 - GPA #83
 - Rezoning to PD-MC
 - Disposition and Development Agreement
 - Overriding Airport Land Use Commission Determination of Inconsistency
- Ordinances:
 - Approving Development Agreement
 - Authorizing Leases of the Project Site in Excess of 55 Years

The Project

Public Private Partnership

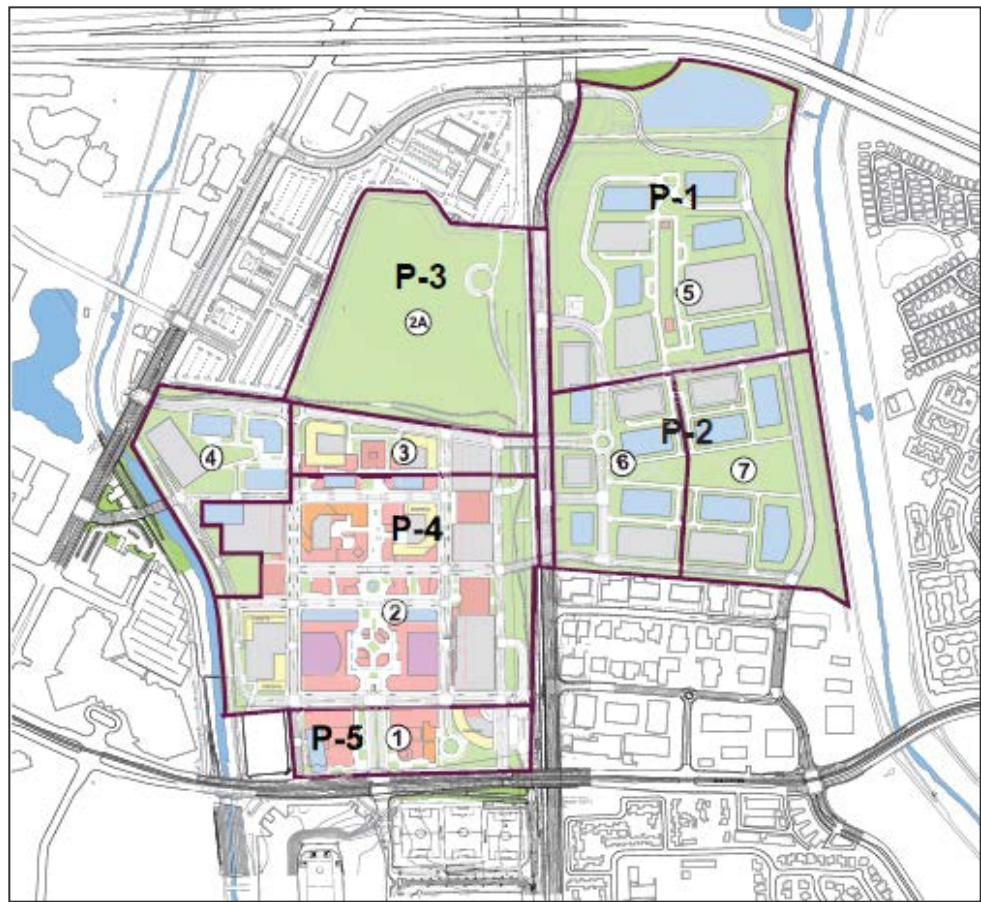
Retail/Entertainment focus

Regional draw

Supports City General Fund



The Parcels and Phasing



Outreach

The CityPlace Project (and Centennial Gateway) have had extensive public outreach:

- 11 City Council meetings (including 6 for Centennial Gateway)
- 9 City Council Study Sessions
- 4 Planning Commission Study Sessions
- 2 EIR scoping meetings (including 1 for Centennial Gateway)
- 3 Community Open Houses (2 in Santa Clara; 1 Sunnyvale)

Numerous small group meetings including: Chamber of Commerce, SV Bike Coalition, BPAC, and others

2016 Study Sessions

- Planning Commission Joint Study Sessions
 - **March 10, 2016:** Project overview; Landfill; Transportation
 - **March 21, 2016:** Parcels and Phasing; Infrastructure
 - **April 26, 2016:** EIR
 - **May 3, 2016:** Master Community Plan
- City Council Study Session
 - **June 7, 2016:** Development Agreement; Disposition and Development Agreement; and Ground Lease

Overall Fiscal Benefits

- Average Annual Rent: \$9Mto \$14M in current dollars
- Net annual tax benefits to the General Fund at full build out: approximately \$16.9 million
- Provides for significant tax benefits to other taxing agencies including SCUSD at \$22.1 million annually.
- City property tax share (approximately 10.17%)
- SCUSD property tax share (approximately 38.36%)

Challenges

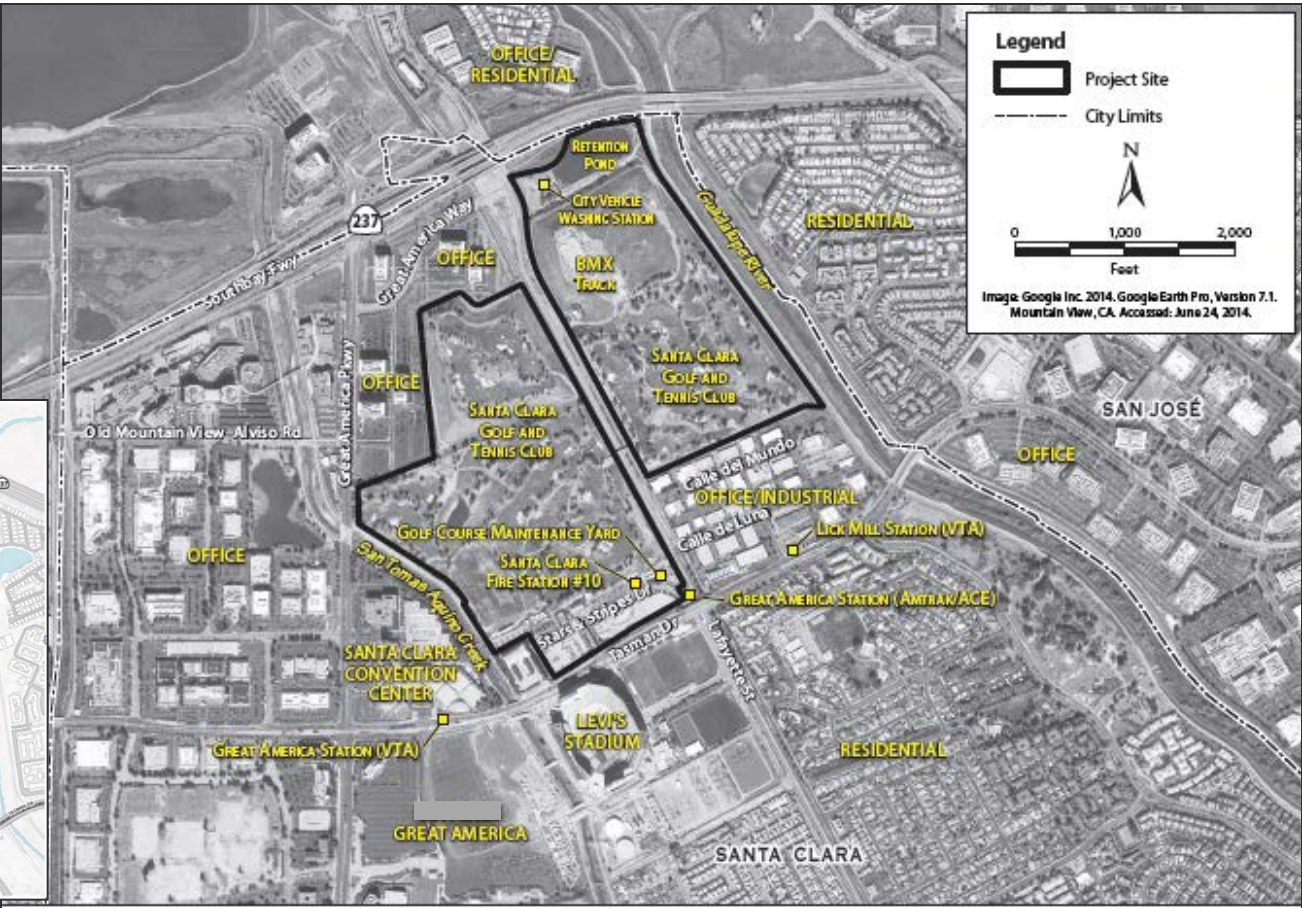
- Large scale project on landfill with no infrastructure
- Lack of clarity on ability to include housing on landfill
- Balancing development with potential loss of open space
- Regional issues of concern:
 - Transportation network
 - Housing: balancing policy objectives
 - Jobs/Housing balance
 - Affordable housing
 - Schools

Entitlements



Existing Uses

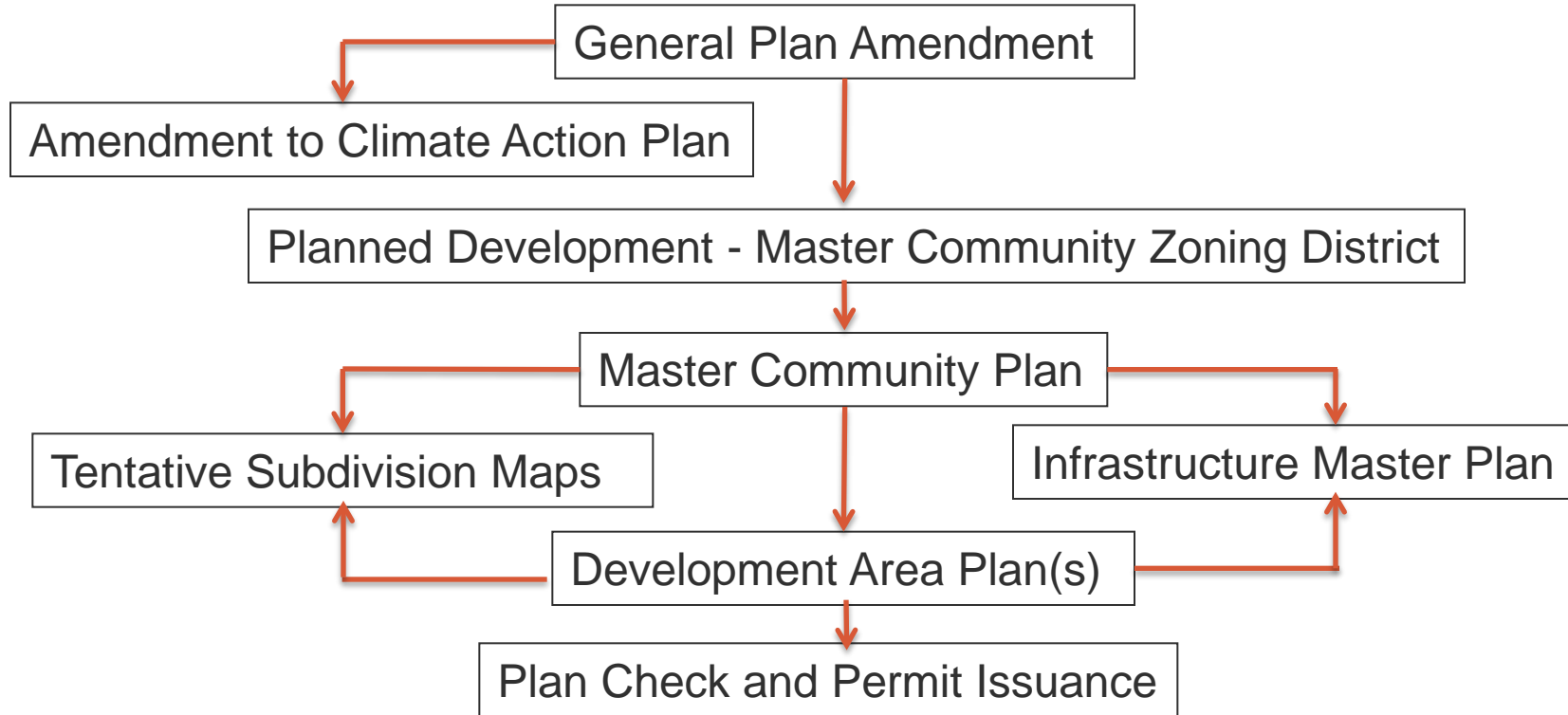
Landfill Boundary



Entitlements

- EIR
- GPAs
- Rezone to PD-MC, & MCP
 - ALUC Override
- DA
- DDA
 - Ord. change re: >55 year lease
- DAPs & Tentative Maps (at a later date)

Entitlements Flow Chart



GPA – Add Urban Center/Entertainment District

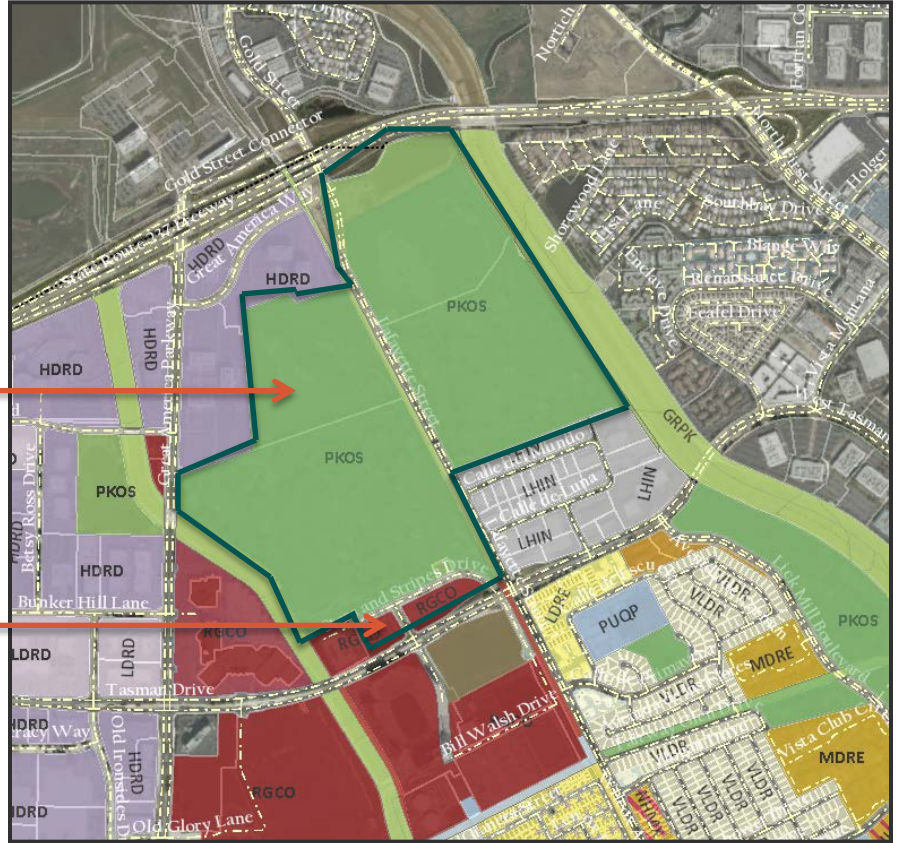
- Pedestrian-oriented mix commercial & residential
 - Retail / restaurant / commercial services
 - Office
 - Hotel
 - Urban residential: 37 – 90 DU/AC
- Open space

General Plan Designation

Existing: Parks and Open Space

Existing: Regional Commercial

Proposed: Urban Center /
Entertainment District



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Zoning Designations

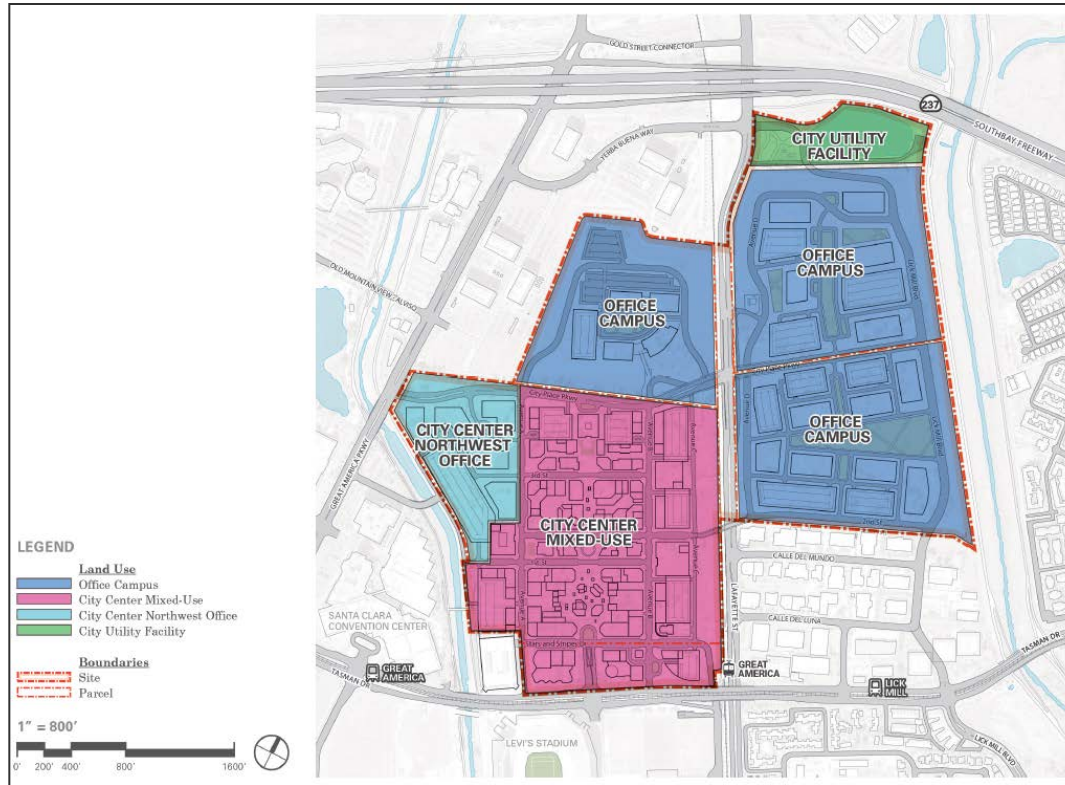
**Public, Quasi-Public, and
Public Park or Recreation (B)**

Commercial Park (CP)

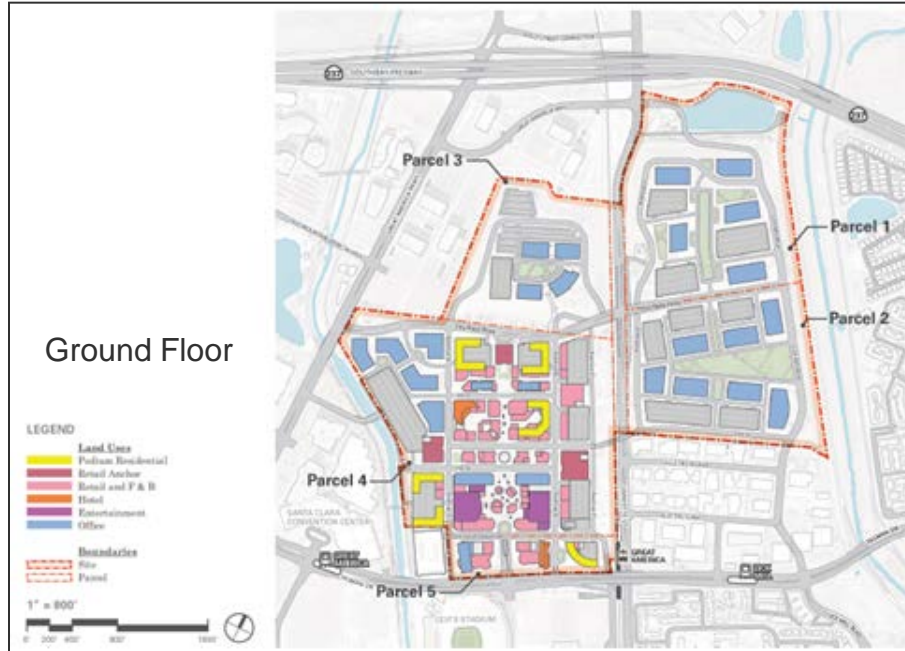
**Proposed: Planned Development –
Master Community (PD-MC)**



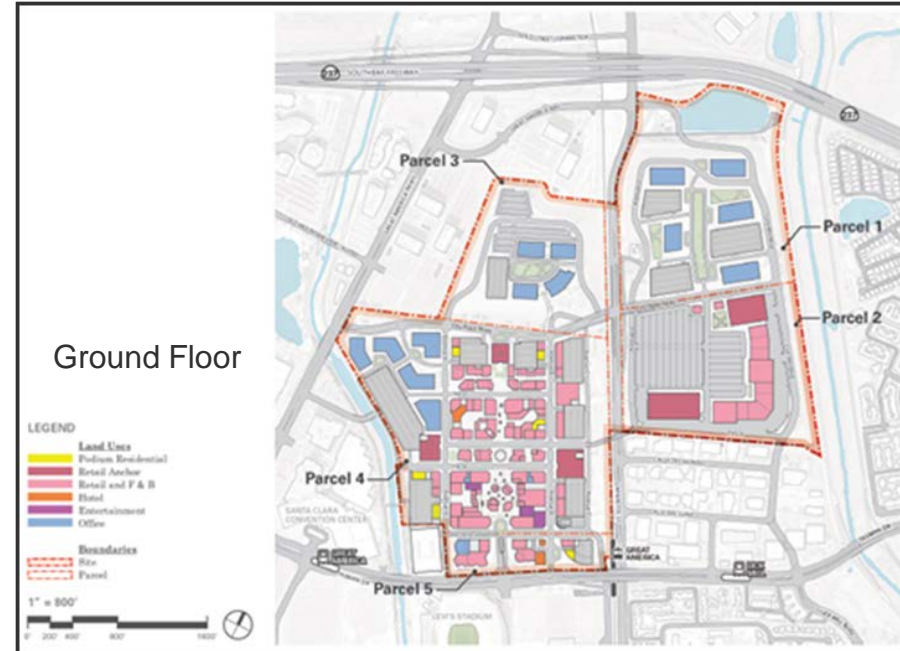
Scheme A Land Use Areas



Scheme A Development Scenario



Scheme A Variant

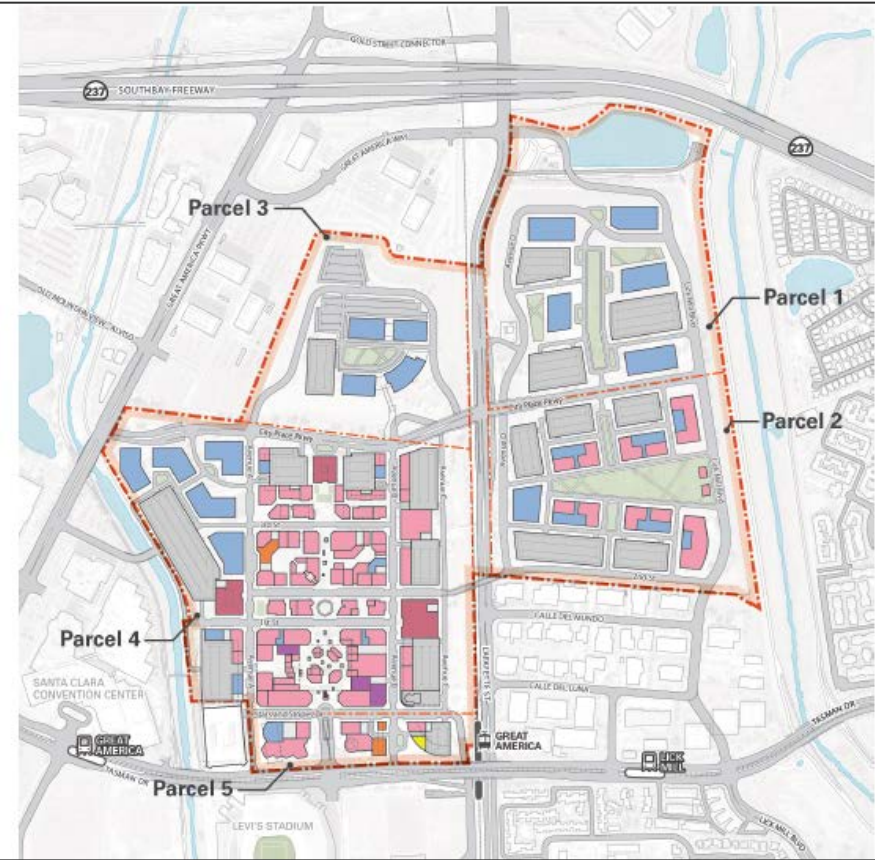


Scheme B Conceptual Land Use Plan

Ground Floor



1" = 800'



The map illustrates the proposed development of East and West Park, which are part of a larger project adjacent to the Santa Clara Convention Center. The map shows the layout of the parks, including green spaces, walkways, and parking areas. Key features include:

- North Park:** A large green area at the top of the map.
- East Park:** A development area to the right of North Park, featuring several building footprints and green spaces.
- West Park:** A development area to the left of North Park, also featuring building footprints and green spaces.
- Santa Clara Convention Center:** A large building complex located to the left of the parks.
- Levi's Stadium:** A large stadium located at the bottom of the map.
- Great America:** An amusement park located to the right of the stadium.
- Highway 237:** A major road running horizontally across the top of the map.
- Highway 101:** A major road running vertically along the left side of the map.
- Highway 88:** A major road running horizontally across the bottom of the map.

Changes to Zoning Ordinance

- Allowable Uses
- Transfer of Square Footage between Parcels
- Parking
- Signage

Infrastructure Master Plan (IMP)

- Access
- Stormwater Drainage
- Potable Water
- Recycled Water
- Wastewater
- Electric, Gas, and Telecommunications
- Landfill Infrastructure

Development Area Plans (DAPs)

- Ordinance adopting City Place MCP will also adopt special procedures for submittal and approval of DAPs
- Process reflects unique nature of the project
- Executive Project Clearance Committee and Priority Project Manager
- CityPlace DAP Procedures: architectural materials may be approved with DAP by Council. Architectural materials may be submitted after DAP approval by Council, and approved by Planning Director

EIR Presentation Topics

- EIR Conclusion Overview
- Enhanced Open Space Variant Environmental Analysis
- Key Topics Raised in Comments on the FEIR
 - General Plan Consistency and the Jobs/Housing Balance
 - Burrowing Owls
 - Transportation Issues



EIR Summary: Significant After Mitigation

- Jobs/Housing Balance
- Air Quality: Emissions from Traffic
- Greenhouse Gas Emissions for 2030 (primarily, but not exclusively due to traffic)
- Noise Impacts from Airport and Traffic
- Bird Collision with new high-rise buildings
- Traffic

EIR Summary: Key Mitigation Measures

- **Jobs/Housing Balance:** Increase Residential Density in next General Plan
- **Air Quality:** Clean Diesel equipment, Filtration Systems
- **Greenhouse Gases:** Clean Fuels, Renewable Energy, Energy Efficiency, Electric Vehicle Charging Stations, etc.
- **Noise Impacts:** Noise reduction barriers along Lafayette between Tasman and Hogan; Interior noise control plan

EIR Summary: Key Mitigation Measures

- **Biological resources:** Bird-safe design standards; burrowing owl surveys and habitat mitigation (if owls detected on-site), wetlands compensation (if necessary)
- **Landfill impacts:** Revisions to Post-closure plans approved by local, regional and state regulators
- **Traffic:** Intersection improvements, funding freeway improvements, Transportation Demand Management (TDM) program, Multi-modal Improvement Plan (MIP)

Enhanced Open Space (EOS) Variant

Proposed Development

- Park uses at Parcel 3 instead of office
- Office square footage (720k s.f.) distributed to Parcels 1, 2, and 5 (those parcels increased s.f. up to 20%)
- Overall construction levels same as original project.
- Intensify development on Parcels, 1, 2 and 5; lower on Parcel 3
- Will shift traffic distribution on adjacent streets



EOS Variant

Environmental Impact Analysis

- *Footprint/Construction*: Same overall level of construction. Intensify construction in Parcels 1, 2, and 5 but lower on Parcel 3. Would disturb same areas.
- *Traffic*: Changes in trip distribution close to site, but same generation overall. Some intersections slightly worse; some slightly better. No new significant impacts.
- *Noise*: Change in trip distribution results in one additional soundwall element (on south side of Tasman between Lafayette & Calle del Sol) as part of the existing mitigation measure. No new significant impacts.
- *Air Quality*: Change in trip distribution results in slight change in roadway particulate matter. No new significant impacts.

Key FEIR Comments

General Plan Consistency

- Consistency is determined by the City weighing and balancing the range of competing interests reflected in a General Plan in determining whether a project is consistent overall; not merely by considering individual policies.
- EIR identified and evaluated project consistency with over 150 General Plan goals and policies that are (1) applicable to the Project and (2) were adopted for the purpose of avoiding or mitigating an environmental impact. The Project is consistent with the vast majority of the applicable General Plan goals and policies except airport noise and jobs/housing balance.

Key FEIR Comments

General Plan Consistency – Jobs/Housing Balance

- Project would be consistent with vast majority of GP policies
- Project would be inconsistent with isolated policies related to the jobs/housing balance.
 - General Plan Policy 5.3.1-P18 – Meter net new industrial and commercial development so that it does not exceed listed square footages, excluding listed allowed projects
 - General Plan Policy 5.10.2-P2 – Encourage development patterns that reduce vehicle miles traveled and air pollution.
- The proposal includes an amendment to 5.3.1-P18 to add the project to the list of allowed projects, to remove the inconsistency.

Key FEIR Comments

General Plan Consistency – Jobs/Housing Balance

- Adoption of the Increased Housing Alternative (minimum of 200 units, entitled up to 1,680 units)
- Current pending/conceptual planning underway for ~9,500 units more than anticipated in General Plan.
- Mitigation Measure LU-1.1 requires City to explore additional housing potential for up to 11,000 units in the next General Plan update, which would maintain the City's jobs/housing balance as projected in current General Plan.
- Requirement for 10% of Project housing units to be affordable.
- TDM to help reduce air quality and GHG emissions associated with project traffic (and other project design and mitigation to address GHG emissions)

Key FEIR Comments

Burrowing Owl

- City Council Direction from 2000 regarding preservation of 44.5 acres of owl habitat
 - Not a specific mandate
 - Can still be met through preservation of 44.5 acres at Regional Wastewater Treatment Plan habitat.
- Definition of “Occupied Habitat”
 - EIR used California Department of Fish and Wildlife 2012 protocol
 - No burrowing owls observed on or immediately adjacent (within 250 feet) to the project site within last 3 years
 - Last nesting on site was in 2006; nearest current nesting is approximately 0.4 miles from project

Key FEIR Comments

Burrowing Owl

- Consistency with HCP
 - City not a party to the HCP; not legally applicable within City
- Mitigation Measures include:
 - Protection of nesting birds during construction
 - Conducting annual burrowing owl surveys
 - Replacement of habitat if owls are found on site

Project Impacts and Mitigation

Transportation

- Full responsibility
 - 25 intersections in Santa Clara, County of Santa Clara, and San José
- Fairshare contribution
 - 40 intersections on expressways and adjacent city intersections
- VTA voluntary contribution to regional freeway and transit
- Multimodal Improvement Plan/Deficiency Plan

Transit Improvements

- VTA Requested Improvements
 - Signal pre-emption
 - Tasman Drive pedestrian bridge
 - Tasman Drive light rail grade separation

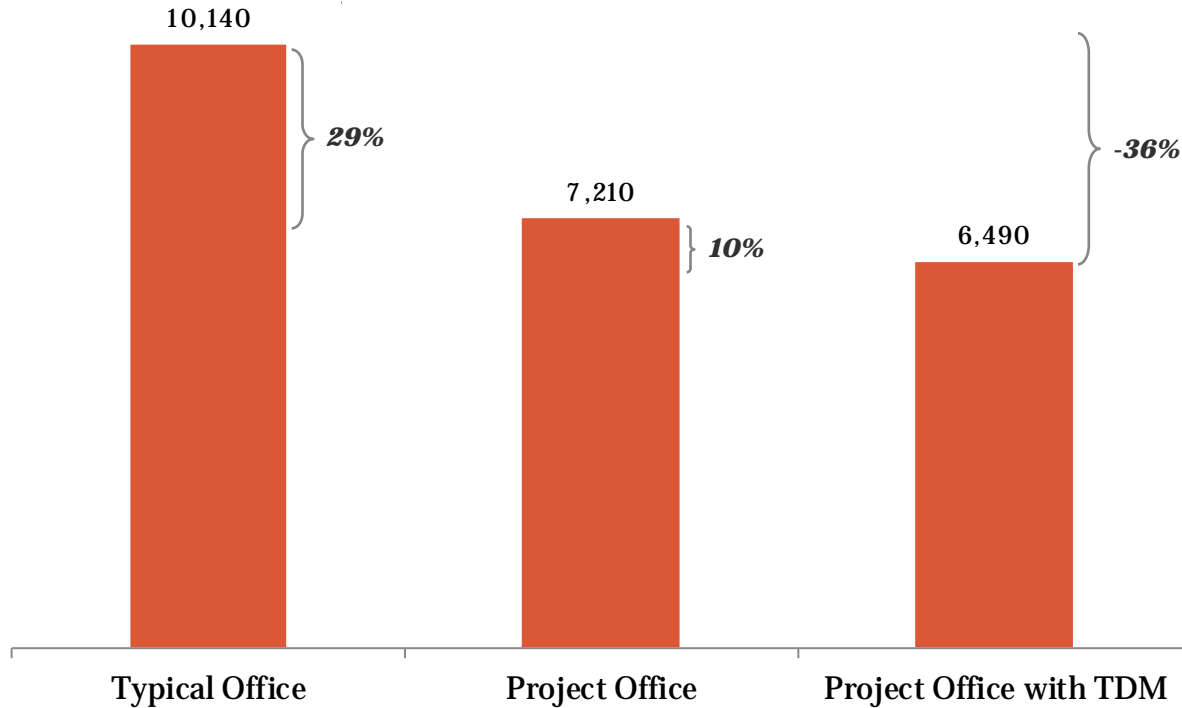
TDM Plan

- Enhanced the TDM mitigation measure (TRA-1.1)
- Vehicle trip thresholds
- Transportation Management Association
- Group of transportation strategies
- Monitoring and reporting process
- Remedial action

Example of TDM Measures

- On-site support facilities
- In-building support facilities
- Private shuttles
- Ridesharing
- Guaranteed ride home
- Financial incentives
- Flexible work culture
- TDM marketing and education
- Bicycle and/or car share programs

Office Trip Reduction



Transaction



Disposition and Development Agreement

Key terms:

- Phasing and Uses
- Schedule of Performance
- Minimum Development
- Rent and Rent Escalations
- Responsibility for Infrastructure
- Conditions to Ground Lease Conveyance

Minimum Development

- Phase I: 600,000 sf office, hotel, retail
 - 300 key hotel and 50,000 sf retail
- Phase 2: 700,000 sf
 - 500,000 sf retail plus 200k sf of office OR 300 key hotel
- 200 residential units in Phase 1 or 2
- Minimum retail
 - Phase 1: 50,000
 - Phase 2 and 3: 750,000 sf

Beginning Annual Rent

- Phase 1 – \$750,000 @ take down;
\$1.0M @ opening; \$1.5M @ 4th Anniversary
- Phase 2 – \$1,500,000;
- Phase 2A – \$750,000;
- Phase 3 – \$500,000;
- Phase 4– \$750,000;
- Phase 5 – \$750,000;
- Phase 6 – \$875,000; and
- Phase 7 – \$875,000.

Escalations on Rent – Phase 1

- Annual 3% per year in addition to the beginning annual rents except for the following
- Years 25, 35, 53, 61, 80 and 90 – rent increases by 10%
- In Year 20: Fair Market Rent Adjustment. Adjustment has a floor and ceiling.
- In Years 45, 70: Fair Market Rent Adjustment. Adjustment has a floor.

Escalations on Rent – Phases 2 - 7

- Annual 3% per year except for the following
- Years 15, 25, 35, 53, 61, 80 and 90 – rent increases by 10%
- In Year 45: Fair Market Rent Adjustment based on the development and taking into account the premium costs associated with the extraordinary infrastructure needed to develop the site. Adjustment has a floor and ceiling.
- In Year 70: Fair Market Rent Adjustment similar to Year 45 with a higher floor and ceiling.

Funding for Public Services and Facilities

- Project will pay for all infrastructure necessary to develop the project.
- Project will pay for all park maintenance except City Place Park
- Project will pay for any enhanced public services such as street maintenance, repair of streets due to settlement of landfill
- Project will pay for the construction of a replacement of FS #10 and staffing for a new hazardous materials unit if necessary for landfill conditions
- Project will pay for enhanced police services (e.g., evenings/weekends)

Key Development Agreement Provisions

- Vests Entitlements for 30 Years
- Affordable Housing
 - At least 10% of the units developed
- Development Fees
 - In general: type of fee and rates static for 7 years from first DAP

Key DA Provisions

- Traffic & Transit
 - Local traffic fee capped for 7 years from first DAP
 - Voluntary regional traffic fees will be paid
 - Local and regional fees fund Multimodal Improvement Plan (MIP)
 - Developer and City MIP funding beyond local and regional fees
 - MIP prepared in 1 year – approved by Council and VTA Board
 - Voluntary ~\$16M payment to VTA for freeway improvements

Net Annual Fiscal Impacts – City General Fund

	Phases 1-3	Phases 4-8	Total Project
Proposed Project			
General Fund Revenues	\$16.1M	\$4.6M	\$20.7M
(less) General Fund Expenditures	(\$3.0M)	(\$0.7M)	(\$3.8M)
Net Fiscal Impact (<i>annual</i>)	\$13.1M	\$3.9M	\$16.9M
Minimum Development at Full Buildout			
General Fund Revenues	\$7.6M	\$2.6M	\$10.1M
(less) General Fund Expenditures	(\$1.1M)	(\$0.7)	(\$1.8M)
Net Fiscal Impact (<i>annual</i>)	\$6.5M	\$1.9M	\$8.3M

Summary of Annual Tax Revenues to Agencies

	County	SCUSD	VTA
Proposed Project			
Property Tax Revenues	\$10.7M	\$22.1M	—
Sales Tax Revenues	\$0.9M	—	\$8.0M
Total Tax Revenues	\$11.6M	\$22.1M	\$8.0M

Recommend Approval

1. EIR, Statement of Overriding Considerations, & MMRP
2. GPA
3. Rezoning & MCP
4. Disposition and Development Agreement
5. Development Agreement
6. ALUC Override

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